

## FINDING OF EMERGENCY

These regulations are being implemented on an emergency basis for the immediate preservation of the public peace, health and safety, or general welfare, within the meaning of Government Code Section 11346.1. Further, Government Code section 11346.1(a)(2) requires that, at least five working days prior to submission of the proposed emergency action to the Office of Administrative Law, the adopting agency provide a notice of the proposed emergency action to every person who has filed a request for notice of regulatory action with the agency. After submission of the proposed emergency to the Office of Administrative Law, the Office of Administrative Law shall allow interested persons five calendar days to submit comments on the proposed emergency regulations as set forth in Government Code section 11349.6. To determine the Office of Administrative Law five day comment period check <http://www.oal.ca.gov/> often.

## DESCRIPTION OF SPECIFIC FACTS WHICH CONSTITUTE THE EMERGENCY

1. The Legislature enacted the Semi-Annual Reporting (SAR) provisions of Assembly Bill (AB) 6 (Chapter 501, Statutes of 2011) on October 6, 2011 to be effective as early as April 1, 2013, and no later than October 1, 2013. These emergency regulations replace the current Quarterly Reporting (QR) System with a SAR System in the California Work Opportunity and Responsibility to Kids (CalWORKs) program. (The emergency regulations implementing SAR in CalFresh will be completed separately.)

AB 6 simplifies and streamlines the reporting requirements in CalWORKs by decreasing the number of periodic reports from five to two reports per year. AB 6 mandates that SAR be implemented in a cost-effective manner that promotes compatibility between the CalWORKs and CalFresh programs.

2. Delay in the implementation of these regulations would conflict with the statutory directive found in AB 6, Section 25 that emergency regulations be adopted:
  - (a) Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the department may implement and administer the changes made by this act through all-county letters or similar instructions from the director until regulations are adopted. The department shall adopt emergency regulations implementing these provisions no later than July 1, 2013. The department may readopt any emergency regulation authorized by this section that is the same as, or substantially equivalent to, any emergency regulation previously adopted under this section.
  - (b) The initial adoption of regulations pursuant to this section and one readoption of emergency regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare. Initial emergency regulations and the one readoption of emergency regulations authorized by this section shall be exempt from review by the Office of Administrative Law. The initial emergency regulations and the one readoption of emergency regulations authorized by this section shall be submitted to the Office of Administrative Law for filing with the Secretary of State and

each shall remain in effect for no more than 180 days, by which time final regulations shall be adopted.

3. Therefore, in order to preserve the public peace, health, safety, and general welfare of the State of California, these regulations are to be adopted on an emergency basis.
4. As permitted in Section 25 of AB 6, the department is readopting the original emergency regulations to allow additional time to complete the regulatory process. Due to the large volume of revisions included in these regulations, the wide scope of the project, and the substantial impacts of conversion from QR to SAR in program administration across the state of California in general and to clients in particular, additional time is necessary to complete the regulatory process.

#### INFORMATIVE DIGEST

AB 6 replaces the current QR/PB system with a SAR system in CalWORKs and CalFresh. The bill mandates that SAR be implemented as soon as April 1, 2013, and no later than October 1, 2013. CalWORKs is California's version of the federal Temporary Assistance for Needy Families (TANF) Program. This regulation package only amends the CalWORKs regulations.

AB 444 (Chapter 1022, Statutes of 2002) replaced the Monthly Reporting/Retrospective Budgeting (MR/RB) with a QR/PB System in the CalWORKs program effective in 2004. AB 444 also required QR/PB to be adopted in the CalFresh program (previously called Food Stamps) to the extent permitted by federal law, regulations, waivers, and directives, and considering cost-effectiveness and compatibility between the two programs. Since the implementation of QR/PB in CalWORKs and CalFresh, the Food and Nutrition Services (FNS) has been encouraging California to move towards a simplified, six-month reporting system.

AB 6 mandates that CalWORKs and CalFresh implement SAR in a cost-effective manner that promotes compatibility between the two programs. FNS will not allow CDSS to require a second semi-annual report in addition to the annual recertification of eligibility in the CalFresh Program. Consequently, CDSS has determined that rather than requiring two semi-annual reports in addition to the annual redetermination of eligibility, the annual redetermination/recertification will take the place of the second semi-annual report. This change also reduces the reporting burden on recipients and reduces the administrative burden on county workers by not mandating duplicative reporting requirements.

In order to more closely align the treatment of income under federal Supplemental Nutrition Assistance Program (SNAP) prospective budgeting rules (as indicated in AB 6), recipients will no longer have to estimate their income for each month of the SAR Payment Period in order for their eligibility worker to average that income over the period. Instead, a monthly income amount will be determined for the SAR Payment Period based only on current income and reasonably anticipated changes. This policy change aligns CalWORKs with the federal SNAP prospective budgeting rules, will simplify the process of reasonably anticipating income for both recipients and county workers, and will alleviate one of the factors that has been found to be the most confusing and error-prone under QR.

In addition to the SAR provisions of AB 6, this regulation package also implements the CalWORKs restoration of aid provisions in Welfare and Institutions Code Section 11265.4 as added by AB 959 (Chapter 506, Statutes of 2011).

This regulation package also contains numerous clean-up and technical changes, including repealing outdated MR regulations, and correcting outdated terms and references.

The benefits anticipated from this regulatory action include simplifying the reporting responsibilities for both CalWORKs recipients and county eligibility workers.

The Department finds that these proposed regulations are compatible and consistent with the intent of the Legislature in adopting AB 6 and AB 959, as well as with existing state regulations.

#### COST ESTIMATE

1. Costs or Savings to State Agencies: Additional expenditures of approximately \$14,000 in costs for Fiscal Year (FY) 2012-13 and \$272,000 in savings for FY 2013-14 are already reflected in the 2013 May Revision.
2. Costs to Local Agencies or School Districts Which Must Be Reimbursed in Accordance With Government Code Sections 17500 - 17630: None.
3. Nondiscretionary Costs or Savings to Local Agencies: No costs or savings in FY 2012-13. There is \$66,000 in costs for FY 2013-14 that is already reflected in the May Revision.
4. Federal Funding to State Agencies: Additional expenditures of approximately \$2,642,000 in FY 2012-13 and \$151,000 in FY 2013-14 that are already reflected in the 2013 May Revision.

#### LOCAL MANDATE STATEMENT

These regulations impose a mandate upon county welfare departments but not on school districts. Since the county share of the program is capped at a specified maintenance of effort level, there are no state-mandated local costs in these regulations which require state reimbursement under Section 17500 et seq. of the Government Code. If the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars, reimbursement shall be made from the State Mandates Claims Fund.

#### AUTHORITY AND REFERENCE CITATIONS

CDSS adopts these regulations under the authority granted in Sections 10553 and 10554 of the Welfare and Institutions Code. Subject regulations implement and make specific Sections 11004.1, 11020, 11265.1, 11265.2, 11265.3, 11265.4, 11450, 11450.12, 11450.13, 11451.5, and 18910, Welfare and Institutions Code [AB 6 (Chapter 501, Statutes of 2011) and AB 959 (Chapter 506, Statutes of 2011)].